



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



5/023/018

IN REPLY REFER TO:
3809
(UT-924-OA)
UTU-70640

RECEIVED

JUN 30 2004

DIV OF OIL GAS & MINING

June 29, 2004

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

DECISION

Obligor/Operator:	:	3809 Notice Operation:	UTU-70640
Construction & Mining Services, Inc.	:		
599 N. 800 W.	:	Bond Amount:	\$3,700.00
Cedar City, UT 84720	:		
	:		
Obligor/Operator:	:		
Gemstone Mining Inc.	:		
P. O. Box 3413	:		
Cedar City, UT 84720	:		

Financial Guarantee Accepted Notice Extended

On February 28, 2002, you filed a notice extending the above-mentioned notice with the Fillmore Field Office, Bureau of Land Management (BLM). The reclamation cost estimate is determined to be \$3,700.

On June 25, 2004, this office received a Surface Management Personal Bond contract, Personal Bond Rider, and \$3,700 check in the form of a cash bond to secure a bond for notice UTU-70640. The bond and the financial document have been examined and found satisfactory. The financial guarantee is accepted as of June 25, 2004, and accordingly, the above-mentioned notice is extended until January 20, 2005.

The bond covers operations conducted by or on behalf of the obligor/operator on the above-mentioned notice. Enclosed is a copy of the bond contract and accounting receipt for your records.

0001

The funds will be retained in a suspense account until all terms and conditions of the notice have been fulfilled or until satisfactory replacement bond coverage has been accepted, at which time this office will authorize a refund of the cash deposit.

If you have any questions concerning the bond, please contact Opolonia Abeyta at (801) 539-4123.

 **James F. Kohler**

James F. Kohler,
Chief, Branch of Solid Minerals

Enclosure
Receipt

cc: Sheri Wyson, Fillmore Field Office (UT010)
Terry Snyder, Utah State Office, UT-923
Wayne Hedberg, UDOGM, File No. S/023/018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SURFACE MANAGEMENT PERSONAL BOND
Act of May 10, 1872, as amended (30 U.S.C. 22-54)
Act of December 29, 1916, as amended (39 Stat. 862)
Act of October 21, 1976, as amended (43 U.S.C. 1732-35, 1782)
Act of September 13, 1982 (31 U.S.C. 9301 et seq.)
Act of September 27, 1988 (102 Stat. 1776)
Act of April 16, 1993 (43 U.S.C. 299)



FORM APPROVED
OMB NO. 1004-0194
Expires: January 31, 2007

Individual 3809-1711-70040; or Statewide _____; or Nationwide _____
(Enter BLM Serial No.) (Enter Name of State, if applicable) ("Yes," if applicable)

KNOW ALL MEN BY THESE PRESENTS, THAT Construction & Mining Services, Inc
(name)
of 599 N. 800 W. #6, Cedar City, UT, 84720
(address)

as principal; is held firmly bound unto the United States of America in the sum of Three Thousand Seven Hundred
and 00/100 U. S. dollars (\$ 3,700.00).

lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond.

The principal, pursuant to the authority conferred by Section 1 of the Act of September 13, 1982 (31 U.S.C. 9303), does hereby constitute and appoint the Secretary of the Interior to act as his attorney-in-fact for the purpose of negotiating the cash, letters of credit, savings accounts, certificates of deposit, or securities. The interest accruing on the United States securities, cash, or other instruments given above, in the absence of any default in the performance of any of the conditions, or stipulations set forth in this bond, the plan of operations/notice, must be paid to the principal. The principal hereby, for any heirs, executors, administrators, successors, and assignees, jointly and severally, ratifies and confirms whatever the Secretary will do by virtue of these presents.

The Secretary will transfer this deposit for the faithful performance of any and all of the conditions and stipulations as set forth in this bond, the plan of operations/notice cited above, and the regulations at 43 CFR 3802 and 43 CFR 3809. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that the Secretary will have full power to assign, appropriate, apply, or transfer the deposit, or any portion thereof, to the satisfaction of any damages, reclamation, assessments, penalties, or deficiencies arising by reason of such default.

BOND CONDITIONS

1. WHEREAS, the principal has an interest in a mining claim(s), mill site(s), or tunnel site(s) and/or responsibility for operations and/or reclamation on the mining claim(s), mill site(s), tunnel site(s) or public lands under the Acts cited in this bond; and
2. WHEREAS, the principal has filed an acceptable notice with the United States Department of the Interior, Bureau of Land Management (BLM) and/or received approval from the BLM of the plan of operations cited above and said plan of operations/notice contains certain stipulations and conditions; and
3. WHEREAS, the principal hereby waives any right to notice of, and agrees that this bond will remain in full force and effect notwithstanding:
 - a. Any transfer(s) in whole or in part, of any or all of the land covered by the plan of operations/notice further agrees to remain bound under this bond as to the interests in the plan of operations/notice retained by the principal; and
 - b. Any modification of the plan of operations/notice or obligations thereunder; and
4. WHEREAS, the principal hereby agrees that notwithstanding the cancellation or relinquishment of any mining claim(s), mill site(s), or tunnel site(s) covered by this plan of operations/notice, whether by operation of law or otherwise, the bond will remain in full force and effect as to the terms and conditions of the plan of operations/notice, and obligations covered by this bond; and
5. WHEREAS, the principal agrees that in the event of any default under the plan of operations/notice and/or reclamation plan the bond may be forfeited and, the United States, through the BLM, may commence and prosecute any claim, suit, or other proceeding against the principal without the necessity of joining the owner(s) of the mining claim(s), mill site(s), or tunnel site(s) covered by the plan of operations/notice; and
6. WHEREAS, if the principal fails to comply with the provisions of 43 CFR 3802 and 43 CFR 3809, the principal will also be subject to the applicable provisions and penalties of Sections 303 and 305 of the Federal Land Policy and Management Act of 1976, *as amended* (43 U.S.C. 1733 and 1735). This provision will not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default; and

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

BOND CONDITIONS (Continued)

7. WHEREAS, on the faith of the foregoing promises, representations, and appointments, and in consideration of this bond, the United States has accepted the notice or approved the plan of operations referenced herein.
8. NOW, THEREFORE, the condition of this obligation is such that if said principal(s), heirs, executors, administrators, successors, or assignees will, in all respects, faithfully comply with all of the provisions of the plan of operations/notice referenced herein, any amendments thereto, and the regulations at 43 CFR 3802 or 43 CFR 3809, then this obligation will be null and void; otherwise it will remain in full force and effect.

Executed this 18th day of June, 2004:

State of UTAH

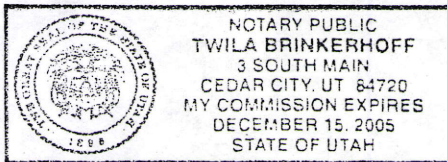
County of Iron

Subscribed and sworn to before me this 18th day
of June, 2004.

Twila Brinkerhoff
(Notary Public)

12-15-05

(Date Commission Expires)



Principal Construction & Mining Services Inc

By Scott H Wilkinson
(Print name)

Signature Scott H Wilkinson

Title Treasurer/Secretary

Business Address 599 N. 800 W. #6
Cedar City UT 84720

87-01081709

(TIN or SSN No., if applicable)

If this bond is executed by a corporation, it should bear the seal of the corporation, if applicable.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 22 et seq.; 43 U.S.C. 1732[b] and 1782[c]; 31 U.S.C. 9301 et seq.; 43 CFR 3802 and 43 CFR 3809.

PRINCIPAL PURPOSE: Information is being used to establish financial responsibility for surface disturbance on public lands.

ROUTINE USES: BLM will only disclose the information according to the regulations at 43 CFR 2.56(d).

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is necessary to receive a benefit. Failure to disclose this information may result in BLM's rejection of your application.

The Paperwork Reduction Act of 1995 requires us to inform you that:

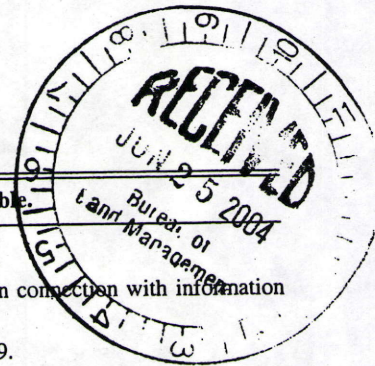
BLM collects this information to grant the right to conduct exploration and mining activities on public lands.

Response to this request is required to obtain a benefit.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 8 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0194), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Washington, D.C. 20240.



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SURFACE MANAGEMENT PERSONAL BOND RIDER

OMB APPROVED
OMB No. 1004-0194
Expires: January 31, 2007

In consideration for this rider and the acceptance of this rider by the Bureau of Land Management on behalf of the United States of America, this rider

attaches to and is part of Surface Management Bond No. 3809 issued on behalf of _____
(BLM Bond No.)

Gemstone Mining Inc.

principal, in favor of the United States. The bond provides coverage as shown below:

Individual 3809; or Statewide _____; or Nationwide _____
(Enter BLM Serial No.) (Enter Name of State, if applicable) (Enter "Yes," if applicable)

☐ **INCREASE/DECREASE IN DOLLAR AMOUNT OF BOND COVERAGE**

It is understood and agreed that _____, principal, is increasing/decreasing the coverage of this bond to the amount shown below; however, this rider shall not act to increase/decrease the actual cumulative or potential liability above the face amount of the bond, to wit: _____

U.S. dollars (\$ _____).

☐ **STATEWIDE/NATIONWIDE BOND**

The principal hereby agrees to and extends bond coverage to include any and all operations under 43 CFR 3802 and 43 CFR 3809.

Include name of State if coverage is Statewide _____

☐ **BOND COVERAGE EXTENDED**

The principal hereby agrees to and extends bond coverage to include notice-level operations pursuant to regulations at 43 CFR 3809.

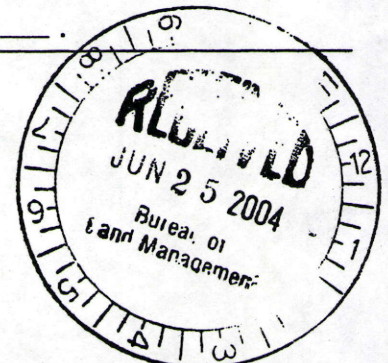
☒ **THIRD PARTY POSTING OF THE FINANCIAL INSTRUMENT FOR THE BOND**

It is understood and agreed that Construction & Mining Services Inc., is pledging the financial instrument to secure the attached bond on behalf of, Gemstone Mining Inc. operator and principal on the bond.

☐ **COPRINCIPAL**

It is understood and agreed that _____, principal, is extending the coverage of the bond referenced above to include liabilities for operations conducted by _____ on notice/plan of operations serialized _____.

(Continued on page 2)



NOTE

This coverage of obligations shall continue whether or not a notice/plan of operations has subsequently been suspended or terminated. This rider shall not act to increase the actual cumulative or potential liability of the principal or bond above the face amount of the bond. Nothing herein contained shall vary, alter, or extend any provision or condition of this bond except as herein expressly stated.

Executed this 18 day of June, 20 04:

Construction & Mining Services Inc
(Principal)

87-0681709

(TIN or SSN, if applicable)

Scott H. Wil
(By)

Treasurer / Secretary
(Title)

599 N. 800 W. # 6 Cedar City UT 84720
(Business Address)

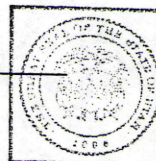
State of UT County of Iron

Subscribed and sworn to before me this 18th day of June

by Scott H. Wilkinson

Twila Brinkerhoff
(Notary Public)

12-15-05
(My Commission Expires)



NOTARY PUBLIC
TWILA BRINKERHOFF
3 SOUTH MAIN
CEDAR CITY UT 84720
MY COMMISSION EXPIRES
DECEMBER 15 2005
STATE OF UTAH



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United States Department of the Interior

Bureau of Land Management

UTAH STATE OFFICE

PO BOX 45155 ACCOUNTS UNIT

SALT LAKE CITY, UT 84145 -0155

Phone: (801) 539-4006

Receipt

No:

899138

Transaction #: 932701

Date of Transaction: 06/25/2004

CUSTOMER: CONSTRUCTION & MINING SERVICES INC
599 N 800 W
CEDAR CITY, UT 84720

LINE #	QTY	DESCRIPTION	REMARKS	UNIT PRICE	TOTAL
1	1.00	LOCATABLE MINERALS / 3809/3802 SURFACE MGT BONDS / CASH BOND FILED (455) CASES: UTU 070640/\$3700.00		- n/a -	3700.00
TOTAL:					\$3,700.00

PAYMENT INFORMATION					
1	AMOUNT:	\$3,700.00	POSTMARKED:	06/22/2004	
	TYPE:	CHECK	RECEIVED:	06/25/2004	
	CHECK NO:	61 - 261917271			
	NAME:	CONSTRUCTION & MINING SERVICES, INC. 599 N 800 W CEDAR CITY UT 84720			

REMARKS

This receipt was generated by the automated BLM Collections and Billing System and is a paper representation of a portion of the official electronic record contained therein.